1	2	3	4
11.	Kerala	96.364	15
12.	Madhya Pradesh		119
13.	Karnataka	52.989	
14.	Maharashtra		249.098
15.	Manipur	0.461	
16.	Meghalaya		0.218
17.	Nagaland		4.627
18.	Orissa	64.142	16.407
19.	Punjab		69.318
20.	Rajasthan		100
21.	Sikkim		0.225
22.	Tamil Nadu	73.745	6.217
23.	Tripura	5.663	2.638
24.	Dadra and Nagar Haveli	0.301	
25.	Pondicherry	2.353	
26.	Uttar Pradesh	0.67	5
27.	Uttarakhand	4.195	5.234
28.	West Bengal	195.024	
29.	Daman and Diu	0.04	
30.	Andaman and Nicobar Islands		2.4
31.	Chandigarh	33.75	33.75

Rise in prices of sugar

53. SHRI D. RAJA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the prices of sugar had gone up in the months of July- August this year;

(b) if so, the details of the prices of sugar month-wise from May this year and reasons for the sudden rise in the prices;

(c) whether it is also a fact that sugar mills were responsible for the increase in prices of sugar; and

(d) if so, what measures were taken by Government to increase the supply of sugar in the open market and hold price line and with what result?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA): (a) to (d) Due to excess production of sugar in 2006-07 sugar season and anticipated high sugar production in 2007-08 sugar season, the sugar prices declined considerably affecting adversely the capacity of sugar mills to pay cane price including cane price arrears to sugarcane farmers. The Central Government had to intervene and took a slew of measures to help the sugar mills and sugarcane farmers and improve realization from sale of sugar. When the sugar prices started going up in July–August, 2008, the base price level was very low. The range of ex-mill sugar prices (excluding excise duty and cess) in various centres in the country from May 2008 to October 2008 (upto 10th) is indicated below:

(Rs. Per quintal)

Month)	1555-1825

The major reasons for increase in ex-mill prices could be as follows:

- The Central Government made available 48 lac tons of non-levy sugar quota for the quarter July – September 2008 (Normal quota - 30 lac tons and expected availability of 18 lac tons from dismantled buffer stocks) as compared to 36 lac tons released in the corresponding quarter of the last year *i.e.* 12 lac tons higher than the last year. However, the quota was misinterpreted to be less by 6 lac tons in comparison to the quota released in the corresponding quarter of the last year.

- There were news reports that sugar production in the ensuing 2008-09 sugar season would be considerably less resulting into shortage of sugar in the season. High crude prices prevailing in the summer months of 2008, also led to diversion of higher quantity of sugarcane into ethanol and consequently lowering the estimated sugar production in Brazil which is the biggest exporter of sugar in the world market. This expectation strengthened future prices of sugar in both domestic and international markets, which in turn, affected the market sentiments for current domestic prices.

- Some sugar mills were withholding the sale of dismantled first and second buffer stocks in the months of July and August, 2008 in the expectation of further increase in sugar prices in the month of September 2008.

The Central Government took the following steps to check any further rise in sugar prices.

- Released additional quota of 5 lac tons of non-levy sugar – 2 lac tons for August, 2008 and 3 lac tons for September, 2008 to enhance availability of non-levy sugar in the market; and
- Vide order dated 15th July, 2008 directed sugar factories to file monthly return on sale/dispatch of dismantled buffer stocks with the Directorate of Sugar; and
- *Vide* order dated 8th September, 2008 decided to convert any unsold/undespatched stocks out of dismantled first and second buffer stock and unsold/undespatched normal monthly quota which were required to be sold/dispatched by 30th September, 2008, into levy sugar.

As a result of the steps taken by the Government, sugar prices moderated from the last week of August, 2008 as indicated in the table above.

Rice quota for Kerala

54. SHRI K.E. ISMAIL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government has decided to stop rice quota for the Above Poverty Line (APL) families in Kerala from August to December, 2008; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA): (a) and (b) No, Sir. Presently the State of Kerala is being made monthly allocation of 28,833 tons of foodgrains (17,056 tons rice and 11,777 tons wheat) for APL category. Allocation of APL rice to Kerala during 2008-09 is based on average offtake of 2006-07 and 2007-08.

Under the Decentralised Procurement (DCP) system, the Government of India has entered into an MOU with some of the States including Kerala in order to increase the procurement of food grains to the maximum level, ensure MSP to farmers and to enable the State Governments to distribute locally procured rice and wheat to the maximum extent in their respective States. Under the above arrangement, Kerala Government agencies carry out procurement of rice in the State and report to Food Corporation of India (FCI) the quantities of rice procured by them for the Central Pool. Some of the rice procured by the State Government is handed over to the FCI and the rest is kept by the State Government with itself as part of the Central Pool stock on behalf of Government of India to be lifted against TPDS allocations.